

From: David Medin
To: 'Microsoft.atr(a)usdoj.gov'
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Subject: Microsoft Settlement

I, as a member of the computing and electronics industries for more than 20 years, am completely opposed to the proposed Microsoft settlement, which will do nothing, in my opinion, to open the marketplace to competition nor innovation.

My definition to a satisfactory settlement will be the lowering of market prices for Microsoft operating systems and associated applications to "reasonable" levels for businesses and consumers. \$450 for a word processing package, per computer, which a consumer has to buy to maintain interoperability with professional standards? \$350 for an Operating System? This pricing level is ridiculous, and Microsoft's margins reflect this! They can only command this price because of monopoly. Microsoft's margins are not a reflection of their innovation--Microsoft software quality and security is known to be among the worst ever in the marketplace and they've only "innovated" when forced--but of their sheer market saturation and the need for people to have compatible products in order to exchange information successfully.

The dynamic of the software marketplace is much different from, let's say, automobiles, as the key for marketability is interoperability. If you cannot exchange information in standard formats, such as between word processors of different authors, the application is useless. Microsoft has obtained a monopoly on many aspects of operating systems and applications through brute force and interoperability with Windows features, which they control.

The settlement does not address two key areas necessary for success--splitting of the Microsoft OS and Applications divisions, and complete opening of internal OS APIs such that compatible and interoperable applications AND operating systems can be easily built. The dynamics of launching a competitor to Microsoft applications like Office would be formidable without drastic measures to equalize the marketplace, so unless those measures are taken, we will continue to be held hostage to Microsoft's monopoly. All the other measures of the settlement, such as educational software donation, are completely self-serving to Microsoft, which wants to overcome Apple's penetration in education anyway. Someone in Redmond will be congratulating themselves if this settlement is adopted. The rest of us lose...

Sincerely,

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